



Minutes of the Arlington City Council Zoom Workshop

September 14, 2020

Councilmembers Present: Mike Hopson, Marilyn Oertle, Debora Nelson, Don Vanney, Jan Schuette, Jessica Stickles and Michele Blythe.

Council Members Absent: None.

Staff Present: Mayor Barb Tolbert, Paul Ellis, James Trefry, Bryan Terry, Tony Orr, Sarah Lopez, Kristin Garcia, Marc Hayes, Jonathan Ventura, Jim Kelly, City Attorney Steve Peiffle, and Wendy Van Der Meersche.

Also Known to be Present: Robert Knoll and Justin McConachie, Puget Sound Energy.

Mayor Barb Tolbert called the meeting to order at 7:00 pm, and the Pledge of Allegiance and roll call followed.

APPROVAL OF THE AGENDA

Mayor Pro Tem Jessica Stickles moved to approve the agenda as presented. Councilmember Marilyn Oertle seconded the motion, which passed with a unanimous vote.

INTRODUCTION OF SPECIAL GUESTS AND PRESENTATIONS

None.

WORKSHOP ITEMS – NO ACTION WAS TAKEN

Contract for Banking Services

Finance Director Kristin Garcia reviewed the banking services contract with Banner Bank.

Staff has conducted a Request for Proposal process for city banking services, and based on staff's evaluation of the RFPs, interviews, and online demonstration of products and services, staff is recommending entering into a contract with Banner Bank. The contract will be for two years with an option to extend for two additional years.

Establish Online Marketplace to Support Small Businesses using CARES Act Funds

Community Revitalization Manager Sarah Lopez reviewed a proposed online marketplace for small businesses, utilizing a portion of CARES ACT funds to cover eligible COVID-19 related expenses between March 1, 2020 and October 31, 2020. The City allocated \$28,000 to WSU for Downtown Recovery (economic stabilization).

One of the recommendations from the WSU consultant working on downtown economic recovery is to establish an online marketplace for Arlington businesses. Support-local.com is the recommended website vendor. The Support-local platform was created in response to COVID-19, but is designed to ensure businesses thrive long after. Some of the areas

already using the platform include Ballard, Capitol Hill, West Seattle, Hood River, and Bend, OR.

Shopping and eating locally and safely is encouraged, especially with the upcoming winter and holiday season. Consumers want to support our small businesses, but connecting with these consumers has been a challenge. An Arlington local online marketplace is a location where small businesses can upload and promote their products, services, and offerings. Consumers can scroll through the online marketplace and place their orders directly with the business on the platform.

The Stilly Valley Chamber of Commerce is willing to contract with support-local for one year, if the City will fund the project using Coronavirus relief funding. The platform setup and one year subscription is \$9,500 for up to 100 businesses. To provide additional support to the businesses, staff recommends the City pay for technical assistance, with a maximum total of \$10,000. Staff is also recommending an additional \$2,500 for advertising.

The total project cost is a maximum amount of \$22,000, with a proposed launch date of October 2020. Discussion followed with Ms. Lopez answering Council questions.

Bid Award for Island Crossing Span Wire

Public Works Director Jim Kelly reviewed the apparent low bid for the SR 530 and Smokey Point Boulevard temporary traffic signal project (P02-460) for future award to the lowest qualified bidder.

The City of Arlington, Snohomish County, WSDOT and the Stillaguamish Tribe of Indians recognize the dangerous nature of the SR-530 and Smokey Point Blvd intersection and have been working together to develop an interim signal plan that will control traffic movements through this intersection until the permanent solution of a roundabout can be installed. A temporary span-wire signal system has been designed, approved by WSDOT, publicly bid and is now ready for construction. This temporary span-wire system will replace the trailer mounted signal system in place since the fall of 2019. Discussion followed with Mr. Kelly answering Council questions.

Resolution Waiving Bidding Requirements for Wastewater Purchase

Public Works Director Jim Kelly reviewed the request for sole source authorization allowing the City to waive Washington Public Works bid requirements and allow the City to purchase blowers directly from the manufacturer, Aerzen USA Corporation.

The City's 2011 WRF upgrade included the installation of three Aerzen blowers, model GM-90-S, for the operation of the plant's Membrane Bio-Reactor (MBR) system. The plant piping, foundations, and control system were specifically designed for these blowers; replacement with any other type of blower will require a major plant retrofit.

With recent City expansion and increased sewer flows, all three blowers must operate to fully serve the MBR system. This means the WRF does not have a spare blower and, should a blower fail, the City could be in violation of its NPDES permit. In addition, having a spare

blower allows staff to remove a blower from service for maintenance and refurbishing. Discussion followed with Mr. Kelly answering Council questions.

Ordinance Establishing a Franchise Agreement with Puget Sound Energy (PSE)

Puget Sound Energy employees, Robert Knoll and Justin McConachie were present at the Zoom meeting. Mr. Knoll spoke to Councilmembers and encouraged them to approve the franchise agreement. Public Works Director Jim Kelly then reviewed the ordinance granting Puget Sound Energy a franchise to provide for the transmission, distribution and sale of natural gas within Arlington city limits.

Puget Sound Energy (PSE) has been providing natural gas to Snohomish County businesses and residents for many years. PSE is in a unique situation of being brought into the city limits as a result of annexations, after which a franchise agreement between PSE and the City of Arlington was never established.

The City of Arlington has worked with PSE over the past several years to develop a mutually acceptable Franchise Agreement; City staff is recommending Council review and accept this agreement. Discussion followed with Mr. Kelly, Mr. Knoll, and Mr. McConachie answering Council questions.

Review of 2020 Comprehensive Plan docket items

Community and Economic Development Director Marc Hayes reviewed each of the following items:

1) Arlington Municipal Code Title 20 Zoning Revisions

Mr. Hayes reviewed proposed changes to AMC Title 20, Chapter 20.36 Zoning Districts and Zoning Map (PLN#672).

The current residential zoning districts only provide for three zones, Suburban Residential (4 dwelling units per acre), Residential Moderate Density (6 dwelling units per acre) and Residential High Density (unlimited density controlled only by open space and parking requirements), there exists no mechanism to allow for a gradual change of capacity from one neighborhood to another. The proposed changes are necessary in order to correctly identify the housing capacities of current residential zones within the City and to provide the correct tools to enable “feathering” of residential capacities throughout the City by creating additional residential zones. Other proposed changes include updated language of existing districts and the creation of a new Commercial Corridor District, with a clearly defined purpose.

The proposed changes support and are in alignment with the following goals and policies of the City’s Comprehensive Plan; GO-1, GH -1, GH-8, GL-7, PH-1.1, PH-8.1, PH-8.3, PH-8.5.1, PH-8.5.4, PH-8.5.7, PL-7.2.

The Planning Commission held a workshop on April 7, 2020, again on August 11, 2020, and an open Public Hearing on August 18, 2020, regarding this item, and deliberated and voted unanimously in the affirmative to recommend this item for approval. Discussion followed with Mr. Hayes answering Council questions.

2) Airport Business Park Rezone

Mr. Hayes reviewed the Airport Business Park Rezone (PLN#666).

The City is rezoning the existing 39.61 acres of General Commercial, existing 3.78 acres of Highway Commercial zoning, and existing 142.78 acres of Business Park to the proposed 13.66 acres of General Commercial, 2.29 acres of Highway Commercial, and proposed 170.22 acres of Business Park.

The Airport Business Park rezone is a City-initiated project that is an amendment to the City of Arlington Comprehensive Plan. Re-alignment of the land use designations within the Airport Business Park will provide the City greater flexibility in meeting the requirements of development, and market demand within this high potential area. Staff has recommended approval of this request. Planning Commission deliberated, and voted unanimously in the affirmative to recommend this item for approval. Discussion followed with Mr. Hayes answering Council questions.

3) Lot 19 Rezone

Mr. Hayes reviewed the Lot 19 Rezone (PLN#663).

The Lot 19 LLC rezone, PLN #663 is a privately initiated rezone requesting that approximately 14.36 acres be rezoned from Residential Moderate Density to Residential High Density. This is located in the 19700 Block of 74th Ave NE (aka Arlington Valley Road).

The Lot 19 LLC rezone, PLN #663 is a privately initiated rezone requesting that approximately 14.36 acres be rezoned from Residential Moderate Density to Residential High Density. Staff has recommended approval of this request. The Planning Commission held a Workshop on April 7, 2020, again on August 11, 2020, and an open Public Hearing on August 25, 2020 regarding the subject rezone. Planning Commission deliberated, and voted unanimously in the affirmative to recommend this item for approval. Discussion followed with Mr. Hayes answering Council questions.

4) Corner 9 Rezone

Mr. Hayes reviewed the Corner 9 Properties, LLC Rezone (PLN#667).

The applicant is requesting this rezone due to the fact that conditions on site have drastically changed since the annexation of the property in 2013. At time of annexation, the owners were interested in continuing the commercial uses that were in operation at the time and to preserve the opportunity for future commercial uses, while they controlled the property. Since the annexation, the commercial uses on site have been abandoned and the property is no longer viable for neighborhood commercial due to the close proximity to the core commercial areas of the city. With the continuing need for additional housing options in the City, this amendment would allow for residential development that would be appropriate for the site and would allow the property to better transition into the surrounding uses. Approval by the City Council is required for all rezone applications. If the request is granted, the City's Comprehensive Plan Land Use Map and the City's Official

Zoning Map would need to be amended. Goals and Policies supporting this amendment; GH-1, GH-2, PH-2.1, GH-5. PL-1.4, PL-1.5, GL-8.

The Corner 9 Properties, LLC land use designation change request, is a privately initiated rezone asking that approximately 2.37 acres be rezoned from Neighborhood Commercial to Residential High Density. Staff has recommended approval of this request. The Planning Commission held a Workshop on April 7, 2020, again on August 11, 2020, and an open Public Hearing on August 25, 2020 regarding the above subject. Planning Commission deliberated, and voted unanimously in the affirmative to recommend this item for approval. Discussion followed with Mr. Hayes answering Council questions.

5) 31st Ave Rezone

Mr. Hayes reviewed the 31st Avenue Rezone (PLN#662).

The Applicants, Robert and Amanda Brown tax parcel 00445300000400, Walt and Julie Potebyna tax parcel 00445300000700, Mike Bohannon and Stephanie Bailey tax parcels 00445300000500 and 00445300000600, and Nathan and Deborah Mach tax parcel 00445300000800, are submitting a rezone, for a project, collectively named the 31st Avenue Rezone, PLN#662, that is located at 18130, 18206, 18214, and 18304 31st Ave NE.

In a privately initiated rezone request, four property owners in the Smokey Point neighborhood are requesting a land use designation change and rezone of approximately 4.4 acres from Residential Moderate Density (RMD) to High Density Residential (RHD). The application consists of five separate parcels, located at these four addresses; 18130, 18206, 18214, and 18304, 31st Ave NE. The Planning Commission held a Workshop on April 7, 2020, again on August 11, 2020, and an open Public Hearing on September 1, 2020 regarding the subject rezone. Planning Commission deliberated, and voted unanimously in the affirmative to recommend this item for approval. Discussion followed with Mr. Hayes answering Council questions.

6) City of Arlington York Park Rezone

Mr. Hayes reviewed the York Rezone (PLN#665).

The York rezone (PLN#665) is a city-initiated project requesting that a 0.56 acre lot in the Smokey Point neighborhood be changed from Public/Semi-Public zoning to Residential High-Density zoning.

At the December 18, 2017 meeting, Council voted to surplus 0.56 acres adjacent to York park known as "York House", parcel Number 0472500000806 and directed staff to apply the proceeds to the Parks Capital Fund. The City's Parks and Recreation Commission had recommended approval of this action. In October and December of 2018, multiple offers for the property were tendered, however, none of the offers culminated in a successful sale of the property. It was the consistent opinion of the makers of these offers and other interested parties that use of the property without high capacity zoning was not financially feasible. It is clear that without a rezone, the property will not likely sell in the near to mid-term. The Planning Commission held a Workshop on April 7, 2020, again on August 11, 2020, and an open Public Hearing on September 1, 2020 regarding the subject rezone.

Planning Commission deliberated, and voted unanimously in the affirmative to recommend this item for approval. Discussion followed with Mr. Hayes answering Council questions.

7) Arlington Municipal Code Chapter 20.40-1 (permissible use table) (Land Use Code Amendment) (non-docket)

Mr. Hayes reviewed the Land Use Code Amendment to AMC 20.40-1(PLN#729) Non-docket item.

Upon review of AMC Chapter 20.40: Permissible Uses, Table 20.40-1, Use Description 3.000-Office, Clerical, Research and Services Not Primarily Related to Goods or Merchandise, specifically Use Description - 3.110 "Operations designed to attract and serve customers or clients on the premises, such as the offices of attorneys, physicians, other professions, insurance and stockbrokers, travel agencies, government office buildings, etc. It was recognized that office use was not an allowed use in the Business Park (BP). This is contrary to the Business Park Zone, as described in AMC 20.36.020 Commercial Districts Established (g). "The Business Park (BP) zone is designed to promote and accommodate office, high technology research and development, and related uses in a park-like, master-planned setting". The proposed change to the Permissible Use table will correct this misinterpretation and allow office use within the Business Park.

The proposed changes to AMC Title 20, Chapter 20.40-1 Permissible Uses is a City initiated land use code change. Staff has recommended approval of this request. The Planning Commission held a Workshop on April 7, 2020, again on August 11, 2020, and an open Public Hearing on August 18, 2020 regarding the item. Planning Commission deliberated, and voted unanimously in the affirmative to recommend this item for approval. Discussion followed with Mr. Hayes answering Council questions.

8) National Foods Rezone (emergency non-docket)

Mr. Hayes reviewed the National Foods Property Emergency Rezone Request (PLN#721) Non-docket item.

The Applicant, Panattoni Development is submitting a rezone for a non-project action that is located between the 4400 and 5100 Blocks of 172nd Street NE, the National Foods property. The proposal seeks to make amendments to the City of Arlington Comprehensive Plan Future Land Use Map and Zoning Map to rezone approximately 75.12 acres of, currently zoned, Highway Commercial with a Mixed-Use Overlay and re-designate to Light Industrial. This non-project action allows for future development of the property, which proposes to include \$230 million in capital improvements as well as creating 1,600 new employment opportunities. The rezone request is submitted under RCW 36.70A.130 (2), an emergency rezone due to the unforeseen shutdown of the economy caused by the Coronavirus and due to an immediate, non-speculative opportunity within the Cascade Industrial Center. The Cascade Industrial Center (CIC), was previously referred to as the Arlington Marysville Manufacturing Industrial Center (AMMIC).

The applicant, Panattoni Development, is requesting a rezone of approximately 75 acres from Highway commercial with a mixed-use overlay to Light Industrial. The subject property is located between the 4400 and 5100 blocks of 172nd Street NE. This request

was not a part of the annual 2020 Docket process, as the opportunity did not present itself prior to the deadline for submittal of January 31, 2020. It is being submitted under the provisions of RCW 36.70A.130 (2) (b) as an emergency Comprehensive Plan update. Per AMC 20.96.010(d) there are three specific exceptions to the annual cycle for comprehensive plan amendments, which allow amendments if any of the following occur:

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Per AMC 20.96.010(d) there are three specific exceptions to the annual cycle for comprehensive plan amendments, which allow amendments if any of the following occur:

- 1) Resolution of an emergency condition or situation. Council shall confirm the directors finding that such an emergency exists.
- 2) Resolution of a decision by an administrative agency or court of competent jurisdiction.
- 3) For any reasons specified in RCW 36.70A.130 (2), as hereafter amended.

Here are some examples as to how the emergency criteria is met:

- The City is operating under multiple states of emergency (city, state and federal) which recognize the significant economic impacts of the COVID-19 pandemic.
- The pandemic and the recession are (and will continue) to negatively impact the City's finances.
- This economic development opportunity is time sensitive, as there is a risk this opportunity will go away (choose another location) before the next annual cycle occurs. Although this item did not meet the deadline as established in AMC 20.96.010 (c), it has been presently concurrently with all the 2020 docket items, conducting broad public participation, and ensuring that all the cumulative impacts of rezones are considered together, meeting the intent of RCW 36.70A.130(2).

Staff has recommended approval of this request. The Planning Commission held a virtual (zoom) workshop on July 21, 2020, August 4, 2020, and August 11, 2020, and an on-line open Record Public Hearing on August 25, 2020. Planning Commission deliberated, and voted unanimously in the affirmative to recommend this item for approval. Discussion followed with Mr. Hayes answering Council questions.

9) NorthPoint Development Rezone (emergency non-docket)

Mr. Hayes reviewed the NorthPoint Development, Emergency Rezone Request (PLN#729) Non-docket item.

The Applicant, NorthPoint Development, LLC (PLN#729) is submitting a rezone for a non-project action that is located at 6600 172nd Street NE. The proposal seeks to make amendments to the City of Arlington Comprehensive Plan Future Land Use Map and Zoning Map to rezone approximately 39.2 acres of an 87.7-acre parcel, currently split zoned General Commercial with a Mixed-Use Overlay and Light Industrial, re-designating the entire parcel to Light Industrial. This non-project action allows for future development and employment opportunities within the Cascade Industrial Center, which also requires the relocation and restoration of Edgecomb Creek. The Plan is submitted under RCW 36.70A.130(2), an emergency rezone due to the unforeseen shutdown of the economy

caused by the Coronavirus, and to allow for the developer to work with multiple jurisdictions in order to coordinate the relocation and rehabilitation of Edgecomb Creek within the Cascade Industrial Center.

The applicant, NorthPoint Development, LLC, is requesting a rezone of approximately 39 acres of an 88 acre parcel, currently split zoned General Commercial with a Mixed Use Overlay and Light Industrial in order to designate the entire parcel as Light Industrial. The subject property is located at 6600 172nd Street NE.

This request was not a part of the annual 2020 Docket process, as the opportunity did not present itself prior to the deadline for submittal of January 31, 2020. It is being submitted under the provisions of RCW 36.70A.130 (2) (b) as an emergency Comprehensive Plan update.

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ADMINISTRATOR AND STAFF REPORTS

None.

MAYOR'S REPORT

None.

COUNCILMEMBER REPORTS

Councilmember Jesica Stickles provided a brief update, while Councilmembers Hopson, Schuette, Oertle, Nelson, Blythe, and Vanney had nothing to report this evening.

COMMENTS FROM COUNCILMEMBERS

Councilmember Don Vanney spoke of a letter Councilmembers received today from a woman requesting that the City fly police thin blue line flags to support the police department. Council discussion followed. Mayor Tolbert stated full support of the police department and encouraged the community's support to the police, as well. She said that a response would be sent to the woman who emailed.

PUBLIC COMMENT

None.

REVIEW OF CONSENT AGENDA ITEMS FOR NEXT MEETING

City Council discussed and agreed to place Item No. 1 and Item No. 4 on the Consent Agenda for the September 21, 2020 Council meeting.

EXECUTIVE SESSION

City Attorney Steve Peiffle announced the need for an Executive Session to discuss pending or potential litigation [RCW 42.30.110(1)(i)]. Mr. Peiffle announced the Session would be 20 minutes. Mayor Tolbert recessed the workshop at 8:20 p.m. At that time, a Zoom Executive Session was initiated. The workshop then resumed at 8:40 p.m.

ADJOURNMENT

With no further business to come before the Council, the meeting was adjourned at 8:42 p.m.



Barbara Tolbert, Mayor

